SUBJECT: Public-school finance

COMMITTEE: Public Education: committee substitute recommended

VOTE: 8 ayes — Linebarger, Dear, Hernandez, Hochberg, Johnson, McCoulskey, Sadler, Stiles

3 nays — Ogden, Grusendorf, West

SENATE VOTE: On January 28: 27-4 (Leedom, Nelson, Shapiro, Sims)

WITNESSES: For — Lonnie Hollingsworth, Texas Classroom Teachers Association

Against — None

BACKGROUND: On January 30, 1992, the Texas Supreme Court held that the current Texas school finance law (SB 351, enacted in 1991) violates the Texas Constitution. The court gave the Legislature until June 1, 1993, to remedy the plan's defects. This decision was the third in little more than two years to strike down the state's school-finance system as unconstitutional, in a lawsuit filed in state court in 1984.

The current school-finance system is based on property taxes levied by about 1,050 independent school districts. Wide variations in local school-district property wealth lead to disparities in the amount of revenue per student that districts can generate with the same property-tax rate. The state has attempted to reduce this disparity by giving state aid to relatively poor districts. More recently, the state has required some wealthier districts to share some local tax revenue with less wealthy neighbors through county education districts (CEDs).

The Supreme Court's first two *Edgewood* decisions hinged on Art. 7, sec. 1, of the Texas Constitution, which requires the Legislature to "establish and make suitable provision for the support and maintenance of an efficient system of public free schools." The court has found that to be "efficient" a school-finance system must be equitable by providing school

districts with "substantially equal access to similar revenues per pupil at similar levels of tax effort."

A 1931 ruling, *Love v. City of Dallas*, reaffirmed by the Supreme Court in 1991, prohibits the state from "recapturing" local tax revenue raised by a school district and spending it for the education of students outside of the district. This decision appears to preclude taking local tax funds from property-rich school districts and distributing the funds directly to property-poor districts without a change in the Constitution.

In its most recent decision, the Supreme Court found that SB 351, the school-finance law enacted in 1991 and still in use, levies a state property ("ad valorem") tax, which is prohibited by Art. 8, sec. 1-e, of the Texas Constitution, because the CEDs have no discretion in setting the tax rate the Legislature requires them to levy. But even if CED property taxes were in fact *local* school taxes, the CED taxes would still be unconstitutional because they were not authorized by local voters, the court ruled.

Although it found the CEDs unconstitutional, the Supreme Court decided not require a refund of CED taxes already collected for 1991 or to bar collection of CED taxes for 1992, giving the Legislature until June 1, 1993, to adopt a constitutional plan. State Dist. Judge F. Scott McCown of Austin, who has lower-court jurisdiction over the school finance lawsuit, has ordered state officials to prepare to cut off distribution to school districts of state funds, including CED funds, if a constitutional plan is not in effect by June 1.

DIGEST:

(A floor substitute for CSSJR 7 is to be offered by the House sponsor, Rep. Linebarger.)

The Linebarger floor substitute would propose to the voters an amendment to Art. 7, sec. 3, of the Constitution, allowing the Legislature to authorize the redistribution among other school districts of property taxes levied and collected by a school district.

The Legislature also would be authorized to create county education districts (CEDs), including multi-county districts, and to permit them to levy, collect and distribute property taxes. By statute the Legislature could set the tax rate imposed by a CED or a school district, or could authorize a CED or school district board to set the tax rate.

The amount of funds redistributed statewide or within CEDs could not exceed 2.75 percent of all state and local public-school revenue, not including state revenue from ad valorem taxes, revenue for the provision of free textbooks and state contributions to a retirement system.

The proposed constitutional amendment would be submitted to the voters at on election on May 1, 1993. The ballot proposal would read, "The constitutional amendment providing for the funding of schools."

SUPPORTERS SAY:

The Linebarger floor substitute for CSSJR 7 would give the Legislature enough flexibility to resolve the long legal battle over school finance and keep the courts from closing the public schools. If the Legislature adopts the proposal by February 20, by the necessary two-thirds vote of both houses, the measure could be submitted to the voters at an election on May 1 and approved in time to meet the Supreme Court's June 1 deadline for a new school finance plan.

Implementing legislation could be enacted at a measured pace, after the amendment proposal has been cleared for submission to voters, and could be made contingent on passage of the amendment. The House Education Committee has heard four proposed implementing bills already, and plans to hear testimony on other bills before an implementing bill is reported. But action on the constitutional amendment is required now.

The floor substitute incorporates all the necessary elements of a solution to the school finance crisis. Extraneous provisions, such as vouchers, limitation of court review, voter authority over tax increases and a limit on state mandates for local districts, should be considered as separate amendments, on their own merits. A far better option is this straightforward ballot proposal that incorporates the positions of the School

Finance Working Group (SFWG) — a coalition of 12 organizations that includes the plaintiffs in the *Edgewood* case, the Texas Association of School Boards and groups representing urban, suburban and rural school districts, both rich and poor. The SFWG has outlined a proposed settlement agreement in which the plaintiffs would agree to end the current school-finance lawsuit. Adoption of this proposed amendment is a vital element in the settlement agreement.

Allowing the courts to close the public schools would cause great disruption and create the real risk of the Legislature losing its authority over school finance. This would send the message to businesses and others throughout the country that Texas holds its public education system in low regard.

Other alternatives to solving the school finance problem already have been rejected as undesirable or politically unfeasible. Little support exists for proposals to replace some school property taxes with revenue from a state personal and corporate income tax, to levy a state ad valorem tax on business property or to consolidate school districts. The floor substitute offers a chance to end the on-going school finance crisis without a radical shift in the existing finance structure that would be disruptive for local districts.

Recapture, CEDs. The only way left to provide the required equity for funding the public schools is to redistribute — that is, "recapture" — a limited amount of local property tax revenue raised in the most property-wealthy districts for use in the poorest districts. The Supreme Court has made it clear that only with a constitutional amendment can the state recapture local revenue or require local tax-base sharing through CEDs. A constitutional amendment authorizing statewide recapture and continued operation of CEDs would allow the Legislature to lay the foundation for a new, more equitable, school-finance system while limiting disruption of local school administration by keeping in place the basic finance system now being used. For flexibility, the plan would be augmented by authorizing the Legislature to set tax rates in CEDs or school districts, or to let local authorities impose rates.

Statewide recapture and CED tax sharing would let the Legislature equalize funding among districts without a huge state tax increase. The Linebarger floor substitute would cap the amount of local tax revenue that could be redistributed within CEDs or through statewide recapture, thereby assuring wealthier districts that the state would not attempt to fund an inordinately large portion of the school finance system with their local tax dollars. The amount recaptured under this limit — some $407 million at current funding levels — would hardly exceed the amount now redistributed through the CEDs.

Limiting the capacity of wealthy districts to generate revenue for their own use would help reduce the spending disparity between the richest and the poorest districts. Wealthy districts would have an incentive to increase their tax rates to maintain their accustomed level of spending, but some of the new revenue generated by these higher rates could be used to help ensure equity.

Recapturing some local revenue from the wealthiest districts would strike a balance between local control and equity, and avoid more drastic options, such as massive consolidation of school districts or imposition of a statewide property tax. The recapture option in the Linebarger floor substitute would allow revenue to be recaptured only from the districts that can best afford any revenue loss.

Taxpayers in property-rich areas should share part of their resources for education. Taxes collected in areas of high property value are not reserved to build roads solely in those areas, and high-wealth school districts have no exclusive claim on the school taxes they raise. The future economic well-being of the state depends on a highly trained work force. Children educated in one area of the state may provide the skills necessary to bring prosperity to another region. Children who are inadequately educated often grow up to cost taxpayers all over the state far more in public spending for welfare or prisons.

Limiting judicial review. The alternative of trying to settle the school finance suit by simply restricting judicial review of school finance will not

work. It would permit all but the most extreme cases of inequitable funding of public education as long as some minimal rationalization, such as preserving local control, could be found to justify the inequality. This change would upset the constitutional system of checks and balances, setting a precedent that could be used to place other types of legislation beyond court scrutiny.

The effect of limiting judicial review would be to perpetuate a system of public education funding repeatedly found inequitable in its treatment of children in poor districts — who are often economically disadvantaged minority students. They would continue to be denied access to funding sufficient to provide the quality education they need and deserve to have a chance in life and to sustain the economic future of the state. Such an amendment would permit the rights of the least powerful of our citizens to be disregarded and deprive them of the assistance necessary to advance themselves and their children.

Voter approval of tax increases. There is no reason for an amendment to let local voters vote on local tax increases. The accountability of school boards and the Legislature to local voters adequately protects the interests of local taxpayers. The Legislature and other political leaders have been responsive to voter concerns in declining to support new taxes for the current budget period; local school boards and the Legislature will be similarly responsive on local tax rates. If some limitation on the ability of elected officials to set local tax rates is justifiable, it should be written into statute, such as through changes in the rollback provisions, and not locked into the state Constitution.

Vouchers. The use of state-paid vouchers to subsidize private and parochial schools would weaken the public-education system. The Constitution requires the Legislature to support a *public* system of education that provides *all* students with the training necessary to become productive, law-abiding citizens. Vouchers would encourage the creation of a two-level system — elite private schools that skim off the most promising and the wealthiest students and public schools for children whose families

cannot afford to supplement the state vouchers or who live some distance from private schools.

Vouchers would erode voter support for funding public schools, exacerbating the equity problems that the Supreme Court has repeatedly found with the public school finance system. For families who already pay private school tuition, state-supported vouchers would be an undeserved windfall. Also, state funding for private and parochial schools would require accountability, bringing private and religious institutions under state regulation to ensure that taxpayer dollars are being properly spent.

Unfunded state mandates. Unfunded state requirements on local districts do impose costs on school districts, but these can be curbed by statute. The Legislature could impose a moratorium on new mandates until more state funding is available or give districts more flexibility in meeting state requirements — without a constitutional amendment. For instance, the current requirement that prohibits school districts from enrolling more than 22 students in a class in Grades K-4 could be modified to permit more students per classroom, if they enrolled after the first six weeks of the school year, or to permit districts to meet the requirement through average districtwide class size. Several bills are being drafted to allow more local flexibility concerning; sweeping constitutional restrictions on mandates would only worsen the problem of inflexibility should circumstances change.

OPPONENTS SAY:

The Linebarger floor substitute goes too far in some directions while ignoring key elements of a solution to the school finance problem. It also lacks any implementing legislation, creating an overly broad umbrella for future legislative action. Legislators cannot make an informed vote on the floor substitute without first seeing an implementing bill. Members need to be able to examine the impact on their school districts of any finance plan.

Recapture. Statewide recapture is a "soak-the-rich" scheme to force taxpayers in richer districts to send local tax revenue outside the districts. The county education district (CED) system, which would be validated by the Linebarger floor substitute, forces involuntary redistribution of wealth

on a countywide basis. Statewide recapture would drain local tax dollars from rural districts in the Panhandle, the South Plains and West Texas, which contain about half of the wealthiest districts in the state, and send these local tax dollars hundreds of miles away. This would have potentially damaging consequences for the economies of these rural areas, as their districts raise local taxes higher to offset the revenue taken from them.

The limited amount of money recaptured under the "Robin Hood" scheme in the floor substitute would be too small to have much impact on the total level of school funding. Recapture would punish wealthy districts. People who suffer the adverse consequences of having large power plants or refineries in their backyards would be deprived of the countervailing tax benefits. Districts that have spent enough to create exemplary programs would be pulled down to mediocrity.

Limiting judicial review. Art. 7, sec. 1, should be amended to define an efficient school system as one in which every school district will have substantially equal access to similar revenues per pupil at similar levels of tax effort — the standard adopted by the Supreme Court. If the Legislature enacts a school-finance plan that rationally furthers a legitimate state purpose or interest, such as efficiency or local control, the plan should be presumed to meet this constitutional requirement.

A standard for judicial review of school finance law can be added to the Constitution without abridging the constitutional right to equal education. It would let the people's elected representatives in the Legislature, not the courts, determine how best to implement the guarantee. The standard for judicial review would be the same as that used by the federal courts in determining the constitutionality of state statutes involving rights that are not deemed "fundamental." For instance, in 1973 the U.S. Supreme Court used this test in evaluating, and upholding, the Texas school-finance system, finding that public education, while desirable, was not a fundamental constitutional right and that the state had a rational justification for the system it had chosen. The amendment would preserve our constitutional system of checks and balances between the judicial and

legislative branches of government, but would recognize that tax policy should be made by locally elected officials and not by the courts.

Limiting judicial review would restore accountability and local control over school taxes. Locally elected officials could no longer blame tax increases or school budget cuts on the courts. This change would give the voters and the Legislature a chance to regain control over the destiny of the schools, which constitute the largest single segment of the state budget. Restoring local control over school taxes would enhance parental involvement in the schools and give voters a choice on two issues most important to them — their children's education and their taxes.

Capping the amount of local revenue that may be recaptured, without also adding a constitutional equity standard, could place the state in a difficult situation. If the Supreme Court does not accept a new school finance plan and imposes its own equity standard, then a constitutional limit on recapture could limit the Legislature's options. The result could be that the Legislature would have no choice but to substantially increase state funding in order to achieve the court-ordered degree of equity, which could lead to a state income tax, as it did in New Jersey in the 1970s.

Voter approval of tax increases. Every school-finance plan adopted in the last three years has led to higher local property-tax rates. The Legislature should give local voters the ability to control this constant financial drain by writing into the Constitution a guarantee that local tax rates cannot be increased without voter approval. The current rollback provisions do not adequately protect against increased property taxes, since they permit large annual tax increases and set the hurdles too high for taxpayers trying to force a rollback election. The long terms of school board members, some of whom serve six years before facing reelection, insulate boards from voter reaction to burdensome tax hikes.

Vouchers. No matter how much taxpayer money is spent on the public-school system, the quality of public education will not improve unless it faces the test of the free market. A system of state-supported vouchers would allow *all* parents, regardless of family income, to choose the best

available school for their children. Cost-efficient private schools would spring up to meet the demand for efficient education that is not currently met by bureaucratically wasteful public schools. Some public schools would be spurred by the competition to improve the quality of education they offer, while those that could not meet the competition from the private sector would lose enrollment. Parents would be able to choose schools that fit their family values.

Unfunded state mandates. The Constitution should be amended to limit the ability of the Legislature to impose statutory educational mandates that are not paid for by the state. Much of the financial pressure on local school districts (and local property taxpayers) comes from the costs of conforming to the long list of mandates imposed on districts by the Legislature and Texas Education Agency. For instance, the class-size limit requires school districts to hire a new teacher and find additional classroom space any time there are more than 22 students are enrolled in an early elementary grade. The state does not provide any additional funding to pay for the costs of these mandates, which also include such items as requiring the use of school buses that run on alternative fuel, the establishment of recycling programs and certification by the Structural Pest Control Board of any district employee conducting any pest control activities.

OTHER OPPONENTS SAY:

The supposed improvement in equity resulting from recapture has been exaggerated and in actuality would be minimal. Although the range of funding available to districts of different property wealth would be somewhat reduced, the most important measure of a school-finance system is the *adequacy* of funding. Under the current school district structure, the only effective way to ensure funding per student that is adequate to provide a quality education is to increase *state* funding, not use another Robin Hood approach to redistribute locally raised school revenue. The Legislature can no longer foist the problem of school-finance equity onto overburdened local taxpayers and must show the leadership required to raise the state revenue necessary to solve the problem once and for all.

NOTES:

The Senate version of SJR 7 would propose a constitutional amendment permitting the Legislature to create county education districts (CEDs),

including multi-county districts, and permit CEDs to levy, collect and distribute property taxes. The Legislature could set the tax rate to be imposed by a CED or could authorize the board of trustees of a CED to set the tax rate. The floor substitute contains a similar provision and would permit the Legislature to set the tax rate imposed in a *school district,* as well as a CED.

The committee substitute for SJR 7 would allow recapture of local school taxes for statewide distribution, but only from districts above the 95th percentile of property wealth per student; the floor substitute does not contain the 95th percentile limitation. CSSJR 7 would cap the amount recaptured and distributed statewide at *2.5* percent of state and local school-tax revenue; the floor substitute would impose a cap of *2.75* percent on statewide *and* countywide redistribution. The committee substitute would permit the Legislature to require a school district to provide a minimum amount of school-tax revenue.

Other proposed constitutional amendments affecting school finance that have been filed include HJR 8 by Culberson, which would exempt school districts from certain unfunded state mandates; HJR 10 by Culberson, which would limit judicial review of school-finance plans; HJR 15 by Kubiak, which would cap school property taxes at a rate of 80 cents per $100 of property valuation; HJR 20 by Kubiak, which would permit CEDs to levy a tax, up to a rate of 90 cents; HJR 32 by Culberson, which would appropriate directly to schools 50 percent of Permanent School Fund mineral income; HJR 34 by Linebarger, which would allow recapture from districts above the 95th percentile of wealth, up to 2.5 percent of state and local school revenue; HJR 39 by Johnson, et al., which would repeal CEDs and permit statewide recapture; HJR 40 by Ogden, which would limit judicial review of school-finance plans and permit limited statewide redistribution of funds collected by countywide districts; HJR 45 by Duncan, which would permit the commissioner of education to exempt school districts from certain unfunded state mandates, and HJR 47 by Carona, which would limit judicial review of school finance plans and abolish CEDs.

Proposed floor substitutes and amendments.

In addition to the Linebarger floor substitute, the following substitutes and amendments were filed in the Chief Clerk's Office as of 10 p.m. According to the new House Rules, "an original amendment that exceeds one page in length and that is in the form of a complete substitute for the bill or resolution laid before the house, or in the opinion of the speaker is a substantial substitute," must be "available in the chief clerk's office for at least 12 hours prior to the time the calendar on which the bill to be amended is eligible for consideration." (House Rule 11, sec. 6(e))

An amendment by Rep. Culberson would retain the provisions of the committee substitute and also define an efficient school system as one in which "every school district will have substantially equal access to similar revenues per pupil at similar levels of tax effort." It would stipulate that a statute or appropriation that "rationally furthers a legitimate state purpose or interest such as efficiency or local control" would be presumed to meet this constitutional requirement. The added provisions for judicial review would be designated "Proposition 1", while the committee substitute would be designated "Proposition 2." Voters would be able to vote for or against each proposition separately.

An amendment by Rep. Wilson would retain the provisions of the committee substitute and add provisions giving parents the right to choose where their child will attend school, subject only to availability. It would permit the Legislature to establish "public education scholarships"; if a child attended public school, the school district would receive 100 percent of the scholarship, and if the child attended a free (private) school, the school would, if it chose to accept the scholarships, receive 80 percent of the scholarship and the local school district 20 percent. Free schools with more applicants that positions would have to fill the positions by random selection, could not charge more than the scholarship amount, could not discriminate and would have to administer criterion-referenced tests to their students. After January 1, 1993, free schools would be subject to educational regulations only if adopted by vote of two-thirds of the membership of each house.

An amendment by Rep. Kubiak would cap CED tax rates at $1.00 per $100 of property valuation.

A substitute by Rep. Ogden would permit statewide redistribution of local school property taxes, permit the creation of CEDs that could tax up to 82 cents per $100 of property valuation and cap statewide and countywide recapture at 2.75 percent of state and local public-school revenue.

An amendment by Rep. Eckels would retain the provisions of the committee substitute, create an equity standard of "substantially equal access to similar revenues per pupil at similar levels of tax effort" and limit judicial review to whether a statute "rationally furthers a legitimate state purpose or interest."

An amendment by Rep. Eckels would require local voter approval of any school-tax increase of more than 3 cents per $100 of property valuation. Tax increases necessary to maintain local revenue per student because of declining property value would be exempt from this requirement.

An amendment by Rep. Grusendorf would cap CED and school-district taxes at 92 cents per $100 of property valuation.

An amendment by Rep. Grusendorf would require local voter approval of any increase in local school taxes that would increase revenue per student.

An amendment by Rep. Grusendorf would cap CED and school-district taxes at two-thirds of the statewide average tax rate.

An amendment by Rep. Grusendorf would permit the Legislature to issue a scholarship for educational expenses at a school district or private or parochial school. The state could not create new regulations for private or parochial schools.

A substitute by Reps. Craddick and Smithee would limit judicial review, using the same language as the Culberson amendment. The substitute would permit countywide recapture in budget-balanced counties, require

voter approval of any increase in a countywide tax and limit the amount recaptured to 1.50 percent of state and local public-school revenue. It would require voter approval of any school-district tax increase that would increase state and local revenue per student, if a district's property value per student had increased. School districts would not be required to comply with unfunded state educational mandates. The Legislature would be permitted to appropriate state funds to educate students in nonpublic schools. The provisions of the proposed substitute would be submitted to the voters as five separate ballot questions.

A second substitute by Reps. Craddick and Smithee would prohibit a state court from invalidating any school-finance statute or appropriation. The other provisions are identical to the first Craddick-Smithee substitute, including submission to the voters as five separate ballot questions.

SJR 7, AS REVISED ON SECOND READING

SJR 7, as passed on second reading by the House on Tuesday by 89-59, would propose to voters two amendments to Art. 7 of the Constitution, submitted as two separate ballot propositions.

The first proposed constitutional amendment would allow the Legislature to authorize redistribution of property taxes levied and collected by a school district among other districts. The Legislature also would be authorized to create county education districts (CEDs), including multi-county districts, and to permit them to levy, collect and distribute property taxes at a rate of up to $1.00 per $100 of property valuation. A higher rate could be imposed if approved by CED voters. By statute the Legislature could set the tax rate imposed by a CED or school district, or could authorize a CED or school district board to set the tax rate.

The amount of funds redistributed statewide or within CEDs could not exceed 2.75 percent of all state and local public-school revenue, not including state revenue from the Available School Fund, ad valorem taxes, revenue for the provision of free textbooks and state contributions to a retirement system.

The first proposed amendment would be submitted to voters at an election on May 1, 1993. The ballot proposal would read, "The constitutional amendment allowing limited redistribution of ad valorem taxes for schools, authorizing the Legislature or local districts to set a minimum tax rate in county education districts, and placing a cap on the ad valorem tax levied by a county education district."

The second proposed constitutional amendment would exempt school districts from unfunded state educational mandates. School districts would not be required to comply with unfunded state educational mandates enacted after December 31, 1993, unless they were imposed in compliance with the state Constitution or federal law or enacted by a two-thirds vote of the Legislature. The Legislature would provide a statutory procedure for determining whether a mandate was fully funded. If no procedure were enacted, the comptroller would make the determination, at the request of a school board.

The second proposed amendment also would be submitted to the voters at an election on May 1, 1993. The ballot proposal would read, "The constitutional amendment exempting a school district from the obligation to comply with unfunded state educational mandates."

Amendments to the Linebarger floor substitute adopted by the House, and their authors, were:

Amendment by Rep. Kubiak — The cap on CED taxes of $1.00, except with voter approval, adopted by 101-45.

Amendment by Rep. Chisum — The exclusion of Available School Fund revenues in the calculations of the cap on the percentage of state and local public-school revenue redistributed, adopted without objection.

Amendment by Rep. Goodman — The ballot language concerning the redistribution amendment, adopted without objection.

Amendment by Rep. Duncan — Exemption from unfunded state mandates, adopted by 77-70.

SJR 7, FINAL VERSION SUBMITTED TO THE VOTERS

SJR 7 by Ratliff (Linebarger), as finally adopted by 102-43 in the House on February 11 and by 27-4 in the Senate on February 15, proposes to the voters two amendments to Art. 7 of the Constitution, submitted as two separate ballot propositions at the May 1, 1993, special election.

The first proposed constitutional amendment would allow the Legislature to authorize that property taxes levied and collected by a school district be redistributed among other districts. The Legislature also would be authorized to create county education districts (CEDs), including multi-county districts, and to permit them to levy, collect and distribute property taxes at a rate of up to $1.00 per $100 of property valuation. A higher rate could be imposed if approved by CED voters. By statute the Legislature could set the tax rate imposed by a CED or school district, or could authorize a CED or school district board to set the tax rate.

The amount of funds redistributed statewide or within CEDs could not exceed 2.75 percent of all state and local public-school revenue. For purposes of this provision, state revenue would not include revenue from ad valorem taxes, revenue for the provision of free textbooks or state contributions to a retirement system.

The proposed amendment would not affect the distribution of the Available School Fund.

The first proposed amendment would be submitted to voters at an election on May 1, 1993. The ballot proposal would read, "The constitutional amendment allowing limited redistribution of ad valorem taxes for schools, authorizing the Legislature or local districts to set a minimum tax rate in county education districts, and placing a cap on the ad valorem tax levied by a county education district."

The second proposed constitutional amendment would exempt school districts from unfunded state educational mandates. School districts would not be required to comply with unfunded state educational mandates enacted after December 31, 1993, unless they were imposed in compliance with the state Constitution or federal law or enacted by a two-thirds vote of the Legislature. The Legislature would provide a statutory procedure for determining whether a mandate was fully funded. If no procedure were enacted, the comptroller would make the determination, at the request of a school board.

The second proposed amendment also would be submitted to the voters at an election on May 1, 1993. The ballot proposal would read, "The constitutional amendment exempting a school district from the obligation to comply with unfunded state educational mandates."